

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Financial Statements**

(With Independent Auditor's Report Thereon)

For the year ended December 31, 2024

*The accompanying report of Deloitte Ltd. is for the sole and exclusive use of Bermuda Cancer and Health Centre (the "Centre"). No person, other than the Centre, is authorized to rely upon the report of Deloitte Ltd. unless Deloitte Ltd. expressly so authorizes. Furthermore, the report of Deloitte Ltd. is as of May 8, 2025, and Deloitte Ltd. has carried out no procedures of any nature subsequent to that date which in any way extends that date.*

## Independent Auditor's Report

To the Board of Directors of  
The Bermuda Cancer and Health Centre

### Qualified Opinion

We have audited the financial statements of Bermuda Cancer and Health Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations in Canada and Bermuda.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to recorded revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2024, assets as at December 31, 2024, and net assets as at December 31, 2024. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with generally accepted auditing standards in Bermuda and Canada. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Predecessor Auditor's Opinion on 2023 Financial Statements

The financial statements of the Centre as of and for the year ended December 31, 2023 were audited by another auditor whose report, dated April 10, 2024 expressed a qualified opinion on those statements. Responsibilities of Management and Those Charged with Governance for the Financial Statements Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standards for not-for-profit organizations in Bermuda and Canada, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

## **Responsibilities of Management and The Board for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standards for not-for-profit organizations in Canada and Bermuda, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Centre's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Canada and Bermuda will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with generally accepted auditing standards in Canada and Bermuda, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Deloitte Ltd.**

May 8, 2025

**BERMUDA CANCER AND HEALTH CENTRE****Statement of Financial Position**

As at December 31, 2024

*(Expressed in Bermuda Dollars)*

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 2(c))	\$ 8,432,802	\$ 6,293,496
Internally restricted cash and cash equivalents (Note 2(c))	-	1,300,000
Internally restricted term deposits (Note 4)	5,120,519	4,408,857
Term deposits, current (Note 4)	1,000,000	-
Accounts receivable	1,254,679	1,179,837
Prepaid expenses	417,878	313,843
Inventories (Note 2(d))	12,882	14,321
Total current assets	16,238,760	13,510,354
Investments (Note 3)	81,130	146,818
Term deposits (Note 4)	808,161	608,857
Internally restricted term deposits (Note 4)	979,481	1,391,143
Capital assets (Note 5)	6,899,164	7,272,319
Total assets	<u>\$ 25,006,696</u>	<u>\$ 22,929,491</u>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 10 and 14)	\$ 2,814,603	\$ 1,053,344
Total current liabilities	2,814,603	1,053,344
Deferred contributions (Note 6)	1,425,883	1,823,290
Total liabilities	4,240,486	2,876,634
<b>Net assets</b>		
Unrestricted net assets	20,247,144	19,690,338
Restricted net assets (Note 7)	519,066	362,519
Total net assets	20,766,210	20,052,857
Total liabilities and net assets	<u>\$ 25,006,696</u>	<u>\$ 22,929,491</u>

**BERMUDA CANCER AND HEALTH CENTRE****Statement of Revenues and Expenditures**

For the year ended December 31, 2024

*(Expressed in Bermuda Dollars)*

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Radiation therapy services	\$ 9,310,564	\$ 9,893,536
Mammography services	3,400,776	3,290,132
Donations for uninsured and underinsured patients	743,467	888,637
Ultrasound services	602,370	576,863
Amortization of deferred contributions (Note 6)	564,814	782,849
Densitometry services	451,350	418,605
Donations	444,769	475,095
Genetics programme	278,458	211,840
Interest income	269,747	120,818
Biopsy service – breast	132,712	155,206
Dividends from investments	4,080	4,080
Apartment rental	3,240	-
Net change in fair value of investments (Note 3)	18,312	23,362
Total revenue	<u>16,224,659</u>	<u>16,841,023</u>
<b>Expenditures</b>		
General and administrative (Note 8)	10,821,488	9,042,634
Radiation therapy expenses	2,158,113	2,173,864
Subsidy for underinsured patients (Note 9)	1,303,817	1,511,505
Donation to uninsured patients (Note 9)	498,376	337,863
Mammography expenses	301,864	343,691
Fundraising and education expenses	180,490	206,043
Genetics programme expenses	108,679	82,289
Biopsy expenses – breast	59,974	78,520
Ultrasound expenses	40,492	38,949
Densitometry expenses	38,013	26,251
Realized loss on sale of investments (Note 3)	-	33,499
Total expenditures	<u>15,511,306</u>	<u>13,875,108</u>
Excess of revenues over expenditures	<u>\$ 713,353</u>	<u>\$ 2,965,915</u>

*The accompanying notes are an integral part of these financial statements.*

**BERMUDA CANCER AND HEALTH CENTRE**

**Statement of Changes in Net Assets**

Year ended December 31, 2024

*(Expressed in Bermuda Dollars)*

	Restricted net assets (Note 7)										
	Capacity Building	Electric Van	Scholarship	Digital Campaign Mammo Machine	Informartion Services	National Cancer Control Plan	Men's Health	Total	Unrestricted net assets	2024 Total	2023 Total
Balance, beginning of year	\$ 2,500	\$ 664	\$ 58,270	\$ -	\$ 262,313	\$ 89	\$ 38,683	\$ 362,519	\$ 19,690,338	\$ 20,052,857	\$17,086,942
Reallocation	-	(664)	-	-	-	(89)	-	(753)	-	(753)	-
Excess (dedficit) of revenues over expenses	-	-	1,749	171,718	-	-	(16,167)	157,300	556,806	714,106	2,965,915
Balance, end of year	\$ 2,500	\$ -	\$ 60,019	\$ 171,718	\$ 262,313	\$ -	\$ 22,516	\$ 519,066	\$ 20,247,144	\$ 20,766,210	\$20,052,857

*The accompanying notes are an integral part of these financial statements*

**BERMUDA CANCER AND HEALTH CENTRE****Statement of Cash Flows**

For the year ended December 31, 2024

*(Expressed in Bermuda Dollars)*

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	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 713,353	\$ 2,965,915
Adjustments for:		
Amortization of capital assets (Note 5 and 8)	1,076,598	1,176,096
Amortization of deferred contributions (Note 6)	(564,814)	(782,849)
Realized loss (gain) on sale of investments	-	33,499
Net change in fair value of investments	(18,312)	(23,362)
Changes in non-cash working capital balances:		
Accounts receivable	(74,842)	536,922
Donations receivable	-	-
Prepaid expenses	(104,035)	93,624
Inventories	1,439	(2,427)
Accounts payable and accrued liabilities	1,761,259	7,494
	<hr/>	<hr/>
Cash provided by operating activities	2,790,646	4,004,912
	<hr/>	<hr/>
<b>Investing activities</b>		
Investment in term deposits	(5,908,161)	(5,659,929)
Purchase of capital assets, net (Note 5)	(703,443)	(281,935)
Proceeds on sale of investments	84,000	15,714
Proceeds on maturity of term deposits	4,408,857	2,921,726
	<hr/>	<hr/>
Cash used in investing activities	(2,118,747)	(3,004,424)
	<hr/>	<hr/>
<b>Financing activities</b>		
Net cash contributions received for capital campaigns (Note 6)	167,407	28,581
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Cash provided by financing activities	167,407	28,581
	<hr/>	<hr/>
Net increase in cash and cash equivalents	839,306	1,029,069
Change in internally restricted cash and cash equivalents (Note 2(c))	1,300,000	700,000
Cash and cash equivalents at beginning of year	6,293,496	4,564,427
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Cash and cash equivalents at end of year	\$ 8,432,802	\$ 6,293,496
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*The accompanying notes are an integral part of these financial statements*

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Notes to the Financial Statements**

December 31, 2024

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#### **1. General**

The Bermuda Cancer and Health Centre (the "Centre") is a registered charity formed on July 17, 1945, for the original purpose of assisting tuberculosis, cancer and diabetic patients in Bermuda. On July 2, 2007, the Centre converted from an unincorporated Association to a company limited by guarantee and changed its name from Bermuda Tuberculosis, Cancer and Health Association to Bermuda Cancer & Health Resource Centre. On August 31, 2007, the Centre changed its name to Bermuda Cancer and Health Centre, and its current mission is to provide the highest standard of early detection, treatment, support, care and education for cancer and other diseases to all.

#### **2. Significant accounting policies**

These financial statements were prepared in accordance with Accounting Standards for Not-For-Profit Organizations generally accepted in Bermuda and Canada ("ASNFPPO") contained in Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting, and include the following significant accounting policies:

(a) *Use of estimates*

The preparation of these financial statements in conformity with ASNFPPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. These estimates are reviewed periodically, and adjustments are made to revenues and expenditures as appropriate in the year they become known. Actual results could differ from the amount estimated.

(b) *Revenue recognition*

The Centre follows the deferral method of accounting for contributions. Restricted contributions that relate to expenses of future periods are deferred and, to the extent they have been received or pledged, are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from services is recognized when the service is provided to the client, and the collectability of the related receivable from the client's insurance provider is reasonably assured.

All other income, except for contributions, is recognized on an accrual basis when earned.

(c) *Cash and cash equivalents*

The Centre considers all cash on hand, deposits with financial institutions that can be withdrawn without notice or penalty, and short-term deposits with an original maturity of ninety days or less as equivalent to cash. The interest rate earned on cash and cash equivalents is 0.01% (2023 – 0.01%) per annum.



## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2024

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#### 2. Significant accounting policies (cont'd)

(c) *Cash and cash equivalents (cont'd)*

In November 2023, the Board of Directors approved up to \$2 million of cash not already held in term deposits to be internally restricted for the purposes of purchasing or replacement of assets, subject to year-end performance results. In December 2023, \$700,000 of the \$2 million was invested in a term deposit. The remaining \$1,300,000 was invested in a term deposit on February 27, 2024.

(d) *Inventories*

Inventories are carried at the lower of cost and net realizable value, and are valued on a first-in, first-out basis. In 2024 and 2023, no inventories were written off and no provision was recognized for obsolete or slow-moving inventories.

(e) *Capital assets*

Capital assets are recorded at cost less accumulated amortization and impairment losses, if any. Land is not amortized. Capital assets are separated into their significant component parts when practicable and when estimates can be made of the lives of the separate components.

Amortization of buildings, equipment and other assets is provided over the estimated useful lives of the assets on a straight-line basis as follows:

Buildings	20 years
Building improvements	10 years
Vehicle	10 years
Medical equipment	5-15 years
Furniture and fixtures	5-15 years
Website development	3-5 years
Office equipment	3 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to either fair value or replacement cost on an asset-by-asset basis. If the carrying amount of an asset exceeds either its fair value or replacement cost, an impairment charge is recognized by the excess value over the carrying amount of the asset.

(f) *Donated services*

Volunteer efforts and non-cash donations are reflected in these financial statements only when a fair value can be reasonably estimated.

(g) *Financial instruments*

Financial assets consist of cash and cash equivalents, internally restricted cash and cash equivalents, term deposits, internally restricted term deposits, investments, accounts receivable and donations receivable. Financial liabilities consist of accounts payable.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2024

## 2. Significant accounting policies (cont'd)

### (g) Financial instruments (cont'd)

Investments quoted in an active market are initially measured at fair value as at the trade date, and then re-measured to fair value at the reporting date, with the related net change in fair value included in revenues and expenditures. The fair value of the investments is based on quoted market values. Transaction costs are recognized in revenues and expenditures in the period incurred.

Purchases and sales of investments are accounted for at the transaction date.

All other financial assets are initially measured at cost being the fair value of the consideration paid. Subsequent to initial recognition, other financial assets are measured at amortized cost, less any adjustment for impairment.

Financial liabilities are measured at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenditures. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenditures.

## 3. Investments

Investments include marketable securities consisting of:

	2024		2023	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Number of shares Securities held				
2,318 Butterfield Bank	\$ 38,871	\$ 81,130	\$ 38,871	\$ 62,818
Somers Loan Note (a)	-	-	84,000	84,000
	<u>\$ 38,871</u>	<u>\$ 81,130</u>	<u>\$ 122,871</u>	<u>\$ 146,818</u>

On July 26, 2022, following the completion of a merger of SNB Investments Limited and Somers Limited ("Somers"), consideration of US\$21 for each of the 4,000 Somers shares held by the Centre was received in the form of a redeemable two-year US\$84,000 Somers Loan Note. The daily accrued 6% semi-annual interest payments are made on January 26 and July 26. The Loan Note matured on July 26, 2024.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2024

#### 4. Term deposits

Term deposits held by the Centre at December 31, 2024, consist of the following:

<u>Bank</u>	<u>2024</u>				<u>2023</u>
	<u>Annual rate</u>	<u>Term</u>	<u>Maturity</u>	<u>Amount</u>	<u>Amount</u>
Clarien Bank Limited	3.50%	1 year	09-Oct 2024	\$ -	\$ 1,022,183
Clarien Bank Limited	2.75%	1 year	09-Oct 2025	1,058,692	-
Clarien Bank Limited	3.00%	3 year	21-Apr 2026	1,000,000	1,000,000
Bermuda Commercial Bank	3.50%	6 months	27-Feb-2025	1,332,411	-
Bermuda Commercial Bank	3.50%	1 year	28-Jun-2024	-	607,193
Bermuda Commercial Bank	4.25%	1 year	27-Jun-2025	628,503	-
Bermuda Commercial Bank	3.25%	2 year	25-Aug-2025	1,000,000	1,000,000
Bermuda Commercial Bank	4.25%	1 year	11-Dec-2024	-	1,018,265
Bermuda Commercial Bank	3.25%	1 year	11-Dec-2025	1,061,660	-
Bermuda Commercial Bank	3.00%	2 year	10-Dec 2024	-	436,033
Bermuda Commercial Bank	3.50%	18 months	10-Jun-2026	462,231	-
Bermuda Commercial Bank	2.00%	2 year	21-Jun 2024	-	312,896
Bermuda Commercial Bank	3.50%	2 year	22-Jun-2026	325,412	-
HSBC	2.732%	1 year	05-Apr 2024	-	835,449
HSBC	2.277%	1 year	05-Apr 2024	-	176,838
HSBC	3.047%	1 year	14-Apr 2025	858,320	-
HSBC	2.540%	1 year	14-Apr 2025	180,932	-
Term deposits, end of period				<u>\$ 7,908,161</u>	<u>\$ 6,408,857</u>

\$6,100,000 (2023 - \$5,800,000) of the total \$7,908,161 (2023 - \$6,408,857) in term deposits represents funds internally restricted by Unanimous Written Resolutions of the Board of Directors. The restrictions are as follows: (i) \$500,000 approved in 2018 to meet the costs of providing services to the uninsured (Note 9) or the costs associated with the transfer of care of uninsured or underinsured patients to an overseas treatment facility should on-island radiation treatment cease temporarily due to a natural disaster or other; (ii) \$5,600,000 approved for purchasing or replacement of assets. Interest earned on term deposits ranges between 2.54% and 4.25% (2023 – 2.00% and 4.25%) per annum.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2024

#### 5. Capital assets

Capital assets consist of:

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 987,428	\$ -	\$ 987,428	\$ 987,428
Building and building improvements	9,102,439	5,843,142	3,259,297	3,530,285
Medical equipment	6,637,146	4,496,235	2,140,911	2,299,104
Office equipment and furniture	1,862,325	1,405,155	457,170	398,787
Vehicle	59,792	5,434	54,358	56,715
Website development	40,690	40,690	-	-
	<u>\$ 18,689,820</u>	<u>\$ 11,790,656</u>	<u>\$ 6,899,164</u>	<u>\$ 7,272,319</u>

The cost and accumulated amortization of capital assets at December 31, 2023 were \$17,986,377 and \$10,714,058, respectively.

#### 6. Deferred contributions

Deferred contributions represent unamortized restricted contributions for capital or fundraising campaigns. Changes in the deferred contributions balances are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,823,290	\$ 2,577,558
Net cash contributions received (used)	167,407	28,581
Amounts amortized to revenue in the year	(564,814)	(782,849)
Balance, end of year	<u>\$ 1,425,883</u>	<u>\$ 1,823,290</u>

In 2000, the Centre launched a building campaign to raise \$4 million for a new Cancer Resource Centre which was completed in 2003.

In May 2014, the Centre launched a new capital campaign for a Radiation Treatment Centre and in October 2024 the Centre initiated another capital campaign for a Digital Mammography machine. The deferred contributions balance comprises amounts contributed during the current year and prior years, which is externally restricted for the building of, and new equipment for, the Centre. The balance is amortized to revenue in line with the relevant expenses incurred.

#### 7. Restricted net assets

Restricted net assets represent unspent resources externally restricted for the Scholarship Fund as well as restricted capital campaign funds. The externally restricted funds include the Cancer Information Services ("CIS"), Capacity Building, Electric Vehicle, Scholarship, Men's Health, National Cancer Control Plan and Digital Campaign Mammography Machine.

## BERMUDA CANCER AND HEALTH CENTRE

### Notes to the Financial Statements

December 31, 2024

#### 8. General and administrative expenditures

	<u>2024</u>	<u>2023</u>
Salaries and related costs (Notes 10 and 14)	\$ 7,681,318	\$ 6,009,487
Amortization of capital assets (Note 5)	1,076,598	1,176,096
Professional fees	756,256	677,087
Radiologist support and outsourced costs	392,244	391,472
Insurance	227,586	199,152
Building operation and maintenance	199,633	193,416
Electricity and water	158,028	148,024
Rental expenses	94,462	3,108
Membership and license fees	90,570	77,514
Bank and FCPT charges	51,465	48,438
Telephone, postage and internet	40,844	37,099
Office supplies	30,523	35,830
Vehicle and transportation	11,407	21,014
Office equipment maintenance	6,545	8,540
Miscellaneous	2,071	11,136
Board of Directors' expenses	1,493	4,776
Annual charity fee	445	445
	<u>\$ 10,821,488</u>	<u>\$ 9,042,634</u>

#### 9. Donation to uninsured patients and subsidy for underinsured patients

The donation to uninsured patients of \$498,376 (2023 - \$337,863) represents services donated by the Centre for patients without insurance. The subsidy for underinsured patients of \$1,303,817 (2023 - \$1,511,505) represents primarily the shortfall in reimbursement from the Government's public health insurance plans for services delivered, namely HIP and FutureCare. The Centre's fundraising activities fund a portion of these donated and subsidized costs, which helps ensure the continued ability of the Centre to deliver services to customers who are uninsured and underinsured.

#### 10. Employee future benefits

The Centre has a defined contribution pension plan providing pension benefits to all of its employees. Employee pension contributions of 5% are matched by the Centre. Pension expense incurred by the Centre in the current year was \$245,504 (2023 - \$195,268) and is included in general and administrative expenditures under salaries and related costs (Notes 8 and 14). Included in accounts payable and accrued liabilities as at December 31, 2024 is \$13,408 in accrued pension contributions (2023 - \$11,660).

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Notes to the Financial Statements**

December 31, 2024

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#### **11. Financial instruments**

The estimated fair values of financial instruments, including cash and cash equivalents, internally restricted cash and cash equivalents, term deposits and internally restricted term deposits, accounts receivable and accounts payable, approximate their carrying values due to their relatively short-term nature or the fact that they attract market rates of interest. The estimated fair value of marketable securities based on year-end quoted market bid prices is disclosed in Note 3.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Centre would realize in a current market exchange. Certain items, such as inventories, deferred contributions, accrued liabilities and capital assets, are excluded from the fair value disclosure. Thus, the individual fair value amounts cannot be aggregated to determine the underlying fair value of the Centre.

The Centre has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include liquidity risk, credit risk and market risk.

##### *Liquidity risk*

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations when they become due. The Centre manages liquidity to ensure sufficient funds are available to meet its liabilities in any situation when they fall due. Management believes that the Centre is not exposed to any significant concentration of liquidity risk.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's exposure to credit risk is limited to the carrying amount of its cash and cash equivalents, internally restricted cash and cash equivalents, term deposits and accounts receivable. The Centre holds cash and cash equivalents and term deposits with four Bermuda-based banks, which are externally regulated by the Bermuda Monetary Authority. The Centre monitors its accounts receivable balances and recorded provision for impairment of accounts receivable amounting to \$80,049 (2023 - \$139,510). Management believes that the Centre is not exposed to any significant concentration of credit risk other than the receivables generated in the normal course of business with the local insurance companies and deposits with Bermuda-based banks.

##### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Centre is exposed to market risk with respect to its marketable securities, which comprise investments in Bermuda-listed companies quoted on the Bermuda Stock Exchange. The Centre has no significant exposure to interest rate risk or currency risk.

## **BERMUDA CANCER AND HEALTH CENTRE**

### **Notes to the Financial Statements**

December 31, 2024

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#### **12. Related party transactions**

During the normal course of its operations, the Centre purchased employee health benefits of \$857,408 and property contents, vehicles, and directors and officers liability insurance totaling \$144,013, from BF&M Ltd. where a new 2024 Board member of the Centre is Group Head of Consumer Solutions. These amounts are included in general and administrative expenditures (Note 8). In addition, the Centre has a defined contribution pension plan (Note 10) administered by BF&M Ltd.

In addition, the Centre procured \$50,948 (2023 - \$12,150) in legal services from MJM Limited, where the Vice President of the Centre's Board of Directors is a director.

#### **13. Capital management**

The Centre defines capital, for its own purposes, as restricted and unrestricted fund balances. During the year, the Centre's objective when managing capital, which was unchanged from previous years, was to hold sufficient unrestricted funds to enable it to withstand negative unexpected financial events and continue as a going concern. The Centre seeks to achieve this objective by holding sufficient cash and cash equivalents to maintain liquidity and enable it to meet its obligations as they become due. The Centre is not subject to any externally imposed requirements on capital.

#### **14. Government remittances payable**

Included in accounts payable and accrued liabilities are government remittances payable of \$136,138 (2023 - \$109,382).

#### **15. Subsequent Events**

The Centre has assessed and evaluated all subsequent events arising from the balance sheet date up until May 8, 2025. Subsequent to the balance sheet date, the Centre committed to the following significant asset purchases: \$2.2m property subject to one remaining condition; \$840k new medical equipment for radiation therapy, and \$354k replacement equipment for diagnostic imaging.